

Message Text

LIMITED OFFICIAL USE

PAGE 01 PARIS 06216 01 OF 02 021829Z

ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 PA-01 USIA-06 PRS-01

SP-02 SIL-01 LAB-04 /045 W

-----021923 116475 /46

R 021825Z MAR 77

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 0208

INFO AMEMBASSY LONDON

FAA BRUSSELS

AMEMBASSY ROME

AMEMBASSY BONN

USMISSION EC BRUSSELS

AMCONSUL BORDEAUX

LIMITED OFFICIAL USE SECTION 01 OF 02 PARIS 06216

E.O. 11652 N/A

TAGS: EAIR, FR, UK, US

SUBJECT: CIVAIR: FRENCH AIRCRAFT INDUSTRY
DEVELOPMENTS

1. TWO DEVELOPMENTS AFFECTING THE LEVEL OF
ACTIVITY IN THE FRENCH AIRCRAFT INDUSTRY COULD
EXPLAIN, IN PART AT LEAST, WHY THE GOF IS
INCREASINGLY SENSITIVE OVER DEFENDING CONCORDE'S
INTERESTS THESE DAYS AND SO GOING ON RECORD WITH
FRENCH PUBLIC OPINION.

2. BECAUSE OF SLOW SALES OF AIRBUS, SNIAS
(AEROSPATIALE) ANNOUNCED LATE LAST WEEK THAT AIRBUS
PRODUCTION AT ITS TOULOUSE FACTORIES WOULD BE
REDUCED FROM THE PRESENT RATE OF TWO AIRCRAFT A MONTH
TO ONE AND A HALF AIRCRAFT A MONTH EFFECTIVE
MARCH 1 AND TO ONE AIRCRAFT A MONTH EFFECTIVE MAY 1.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 06216 01 OF 02 021829Z

THE T TRADE UNIONS AT SNIAS HAVE OF COURSE
REACTED VIGOROUSLY, PROTESTING THAT THE WORK
SLOWDOWN WILL MEAN PART-TIME UNEMPLOYMENT FOR WORKERS
IN THE AIRCRAFT DIVISION OF SNIAS AND LOSS OF PAY.
ACCORDING TO AFP, THE MAJORITY OF THE TRADE UNIONS
REPRESENTED ON THE SNIAS WORKS COUNCIL ISSUED A
STATEMENT ALLEGING THAT REDUCTION OF THE PRODUCTION

RATE OF AIRBUS WAS DIRECTLY ATTRIBUTABLE TO LOSS OF THE SALE TO WESTERN AIRLINES, WHICH RESULTED FROM "THE ECONOMIC AND POLITICAL METHODS USED BY THE UNITED STATES TO DESTROY AT WHATEVER COST ANY COMPETITION ON THE COMMERCIAL AIRCRAFT MARKET WHICH THE US ALREADY MONOPOLIZES TO THE EXTENT OF 90 PERCENT." THE UNIONS NOTED THAT THE SLOWDOWN IN AIRBUS PRODUCTION FOLLOWS THE EARLIER ANNOUNCEMENT OF A CUTBACK IN OVER-ALL EMPLOYMENT AT SNIAS THIS YEAR (PARIS 3599).

3. THINGS ALSO DO NOT APPEAR TO BE GOING WELL FOR THE ASMR (MERCURE 200) PROJECT, ON WHICH THE GOF HAD BEEN COUNTING TO HELP MAINTAIN ACTIVITY IN THE FRENCH INDUSTRY. A MCDONNELL DOUGHLAS TEAM (HEADED BY JOHN MCDONNELL) WAS IN PARIS LAST WEEK AND MET WITH FOURCADE, MINISTER OF EQUIPMENT AND TRANSPORTATION. ACCORDING TO A DASSAULT SOURCE, THE MCDONNELL DOUGHLAS REPS INDICATED THAT THEY WERE NOW GIVING VERY SERIOUS CONSIDERATION TO DEVELOPING CERTAIN STRETCHED DERIVATIVES OF THE DC-9 AND AS A RESULT THEY WOULD NOT BE IN A POSITION BEFORE SEPTEMBER TO GIVE THE GOF A FIRM ANSWER ON WHETHER THEY WERE PREPARED TO GO AHEAD WITH THE FRENCH ON THE ASMR PROJECT. FOURCADE REPORTEDLY SAID THAT THE GOF COULD NOT WAIT THAT LONG AND WANTED A FIRM RESPONSE FROM MCDONNELL DOUGLAS IN ANOTHER MONTH. OUR DASSAULT SOURCE ADDED THAT DURING THE RECENT CANVASSING OF CARRIERS TO DETERMINE THE LEVEL LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PARIS 06216 01 OF 02 021829Z

OF INTEREST IN THE ASMR, DASSAULT REPS CAME AWAY WITH THE DISTINCT IMPRESSION THAT IN THE TALKS WITH CARRIERS MCDONNELL DOUGLAS REPS HAD BEEN MORE ASSIDUOUS IN TRYING TO DEVELOP INTEREST IN NEW VERSIONS OF THE DC-9 THAN IN TOUTING THE MERITS OF THE FUTURE ASMR.

4. A SNECMA SOURCE HAS SEPARATELY CONFIRMED TO US ALL OF THE ABOVE INFORMATION ON THE STATUS OF THE ASMR PROJECT. SNECMA, OF COURSE, HAS ITS OWN INTERESTS TO CONSIDER, WHICH AREN'T NECESSARILY THOSE OF THE REST OF THE INDUSTRY OR OF THE GOF AS A WHOLE. RAVAUD, PRESIDENT OF SNECMA, HAD ALSO MET WITH MCDONNELL DOUGLAS REPS AND TOLD THEM THAT IF ASMR PROJECT WITH US PARTICIPATION FELL THROUGH, THEN MCDONNELL DOUGLAS WOULD BE BURNING ALL BRIDGES FOR POSSIBILITIES OF FUTURE COOPERATION WITH FRENCH INDUSTRY IF IT DEVELOPED REFANNED VERSIONS OF DC-9, WHICH WOULD GIVE NO WORK WHATEVER TO FRENCH INDUSTRY.

RAVAUD ARGUED THAT FOR THIS REASON MCDONNELL DOUGLAS

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PARIS 06216 02 OF 02 021834Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00
DOTE-00 INR-07 NSAE-00 FAA-00 PA-01 USIA-06 PRS-01
SP-02 SIL-01 LAB-04 /045 W
-----021922 116591 /46

R 021825Z MAR 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 0209
INFO AMEMBASSY LONDON
FAA BRUSSELS
AMEMBASSY ROME
AMEMBASSY BONN
USMISSION EC BRUSSELS
AMCONSUL BORDEAUX

LIMITED OFFICIAL USE SECTION 02 OF 02 PARIS 06216

WOULD BE MAKING MAJOR ERROR IF IT DID NOT STUDY
DEVELOPMENT OF DC-9 DERIVATIVES USING THE GE-SNECMA
CFM-56 ENGINE.

5. DASSAULT SOURCE SAID THAT SALE OF DC-9'S AND/OR
DC-10'S TO AIR FRANCE MIGHT STILL TIP THE BALANCE
IN FAVOR OF MCDONNELL DOUGLAS DECISION TO GO AHEAD
WITH THE ASMR PROJECT, BUT APPARENTLY THIS WAS
STILL RESISTED WITHIN AIR FRANCE. ANYWAY, HE SAID
MEAIN OBSTACLE TO CONTINUATION OF ASMR PROJECT WAS
THAT RESULTS OF INITIAL CANVASSING OF CARRIERS HAD
REVEALED THAT THERE WAS RELATIVELY LITTLE INTEREST
IN ASMR. AS WE HAVE PREVIOUSLY REPORTED, IT HAD BEEN
PLANNED THAT AFTER INITIAL ROUND OF CANVASSING OF
CARRIERS THE SPECS FOR ASMR WOULD BE FURTHER REFINED
IN LIGHT OF CARRIER OBSERVATIONS AND THEN ANOTHER,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 06216 02 OF 02 021834Z

FINAL ROUND OF CANVASSING WOULD TAKE PLACE PERMITTING FIRM ESTIMATE OF HOW MANY ADVANCE ORDERS MIGHT BE EXPECTED. RESULTS OF FIRST ROUND OF CANVASSING HAD BEEN SO DISAPPOINTING, HOWEVER, THAT THE REST OF THE SCENARIO HAD BEEN ABANDONED. WHEN ASKED POINT-BLANK WHETHER HE THOUGHT THE ASMR PROJECT WOULD GO THROUGH, DASSAULT SOURCE REPLIED WITH A FLAT "NO". HE DIDN'T THINK GOF WOULD TRY TO INTEREST EUROPEAN PARTNERS IN ASMR PROJECT IF US PARTICIPATION WERE WITHDRAWN, AND IF GOF MADE THE EFFORT ANYWAY HE DOUBTED EUROPEANS WOULD SHOW ANY INTEREST. IF ASMR WAS ABANDONED, HE THOUGHT GOF WOULD PROBABLY PROPOSE PROCEEDING WITH DEVELOPMENT OF B-10 DERIVATIVE OF AIRBUS.

6. SNIAS IS ALSO ONE OF THE PROSPECTIVE PARTICIPANTS IN THE ASMR PROJECT. WHEN ON MARCH 1 WE ASKED GEN. MITTERAND, PRESIDENT-DIRECTOR GENERAL OF SNIAS, WHERE THINGS STOOD WITH THE ASMR PROJECT, HE SAID WITH A BROAD SMILE THAT "THE MOMENT OF TRUTH IS NEAR." GEN. MITTERAND, WHO HAD BEEN CARRYING ON HIS OWN NEGOTIATIONS WITH BOEING AND HAS BEEN COOL FROM THE OUTSET TOWARD THE ASMR PROJECT WITH DOUGLAS, SAID THAT HE HAD A FEW OTHER IDEAS UP HIS SLEEVE ABOUT WHICH HE WOULD LIKE TO TALK WITH US AT SOME TIME IN THE FUTURE. HE VOLUNTEERED NO FURTHER DETAILS.

7. DASSAULT REP SAID ONLY BRIGHT SPOT FOR DASSAULT, THESE DAYS, APART FROM CONTINUED SUCCESS OF THE FIRM'S FALCON 20 EXECUTIVE JET, WAS THAT ORDERS HAD NOW BEEN RECEIVED, INCLUDING SOME FROM THE US, FOR THE NEW THREE ENGINE FALCON 50 THAT DASSAULT HAS DEVELOPED.
RUSH

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, AEROSPACE INDUSTRY, AIRCRAFT, ECONOMIC REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PARIS06216
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770072-0201
Format: TEL
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197703101/aaaadlcj.tel
Line Count: 208
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 553f88ac-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2939564
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: FRENCH AIRCRAFT INDUSTRY DEVELOPMENTS
TAGS: EAIR, FR, UK, US
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/553f88ac-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009